

May 19, 2011

**Filed Via ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Notice of Ex parte regarding: WC Docket Nos. 10-90, 07-135, 05-337 and 03-109, GN Docket No. 09-51 and CC Docket Nos. 01-92 and 96-45 in the matter of Connect America Fund, a National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-cost Universal Support, developing a Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-up**

Dear Ms Dortch:

On May 18, 2011, Dale Merten of The Toledo Telephone Company, Inc., and Michael Romano and Jill Canfield of the National Telephone Cooperative Association met with the following members of the Federal Communications Commission's Wireline Competition Bureau, Patrick Halley, Amy Bender, Rebekah Goodheart, Jennifer Prime, Kevin King, John Hunter and Rohit Dixit to discuss the FCC's pending universal service fund (USF) and inter-carrier compensation (ICC) notice of proposed rulemaking (NPRM) in the above-referenced dockets. William Warinner, Andy Denzer and Phyllis Callahan of Warinner, Gesinger and Associates, LLC participated via conference call. The discussion was both in general and how the proposed changes impact Toledo specifically.

Mr. Merten presented company statistics and financial information to help explain the significant adverse impact that the USF and ICC reform proposals in the NPRM would have on Toledo and Toledo's subscribers. Mr. Merten also expressed concern with respect to the substantial amount of "phantom traffic" terminating to Toledo's service area. Mr. Merten explained that by virtue of the soft-switching technology that Toledo installed several years ago, eighty percent (80%) of the terminating records in recent months have insufficient information to identify the carrier(s) responsible for the call or the true jurisdictional nature of the calls received. Mr. Merten noted that much of this traffic is likely long distance in nature based upon the investigation that Toledo has been able to conduct, but this traffic often comes across trunks that are supposed to be dedicated to the exchange of Extended Area service (EAS) traffic with neighboring local exchange carriers. Mr. Merten also described how this missing or inaccurate data even prevented an emergency "Trap and Trace" request from the Lewis County Sheriff's office on 5/17/2011 where the caller has repeatedly left death threats on the subscriber's voice mail.

**Midwest**

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**Northwest**

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On behalf of The Toledo Telephone Company, Inc and pursuant to Section 1.1206(b) of the Commission's rules, a redacted copy of this submission is filed for inclusion in the public record of the referenced proceedings.

Sincerely,

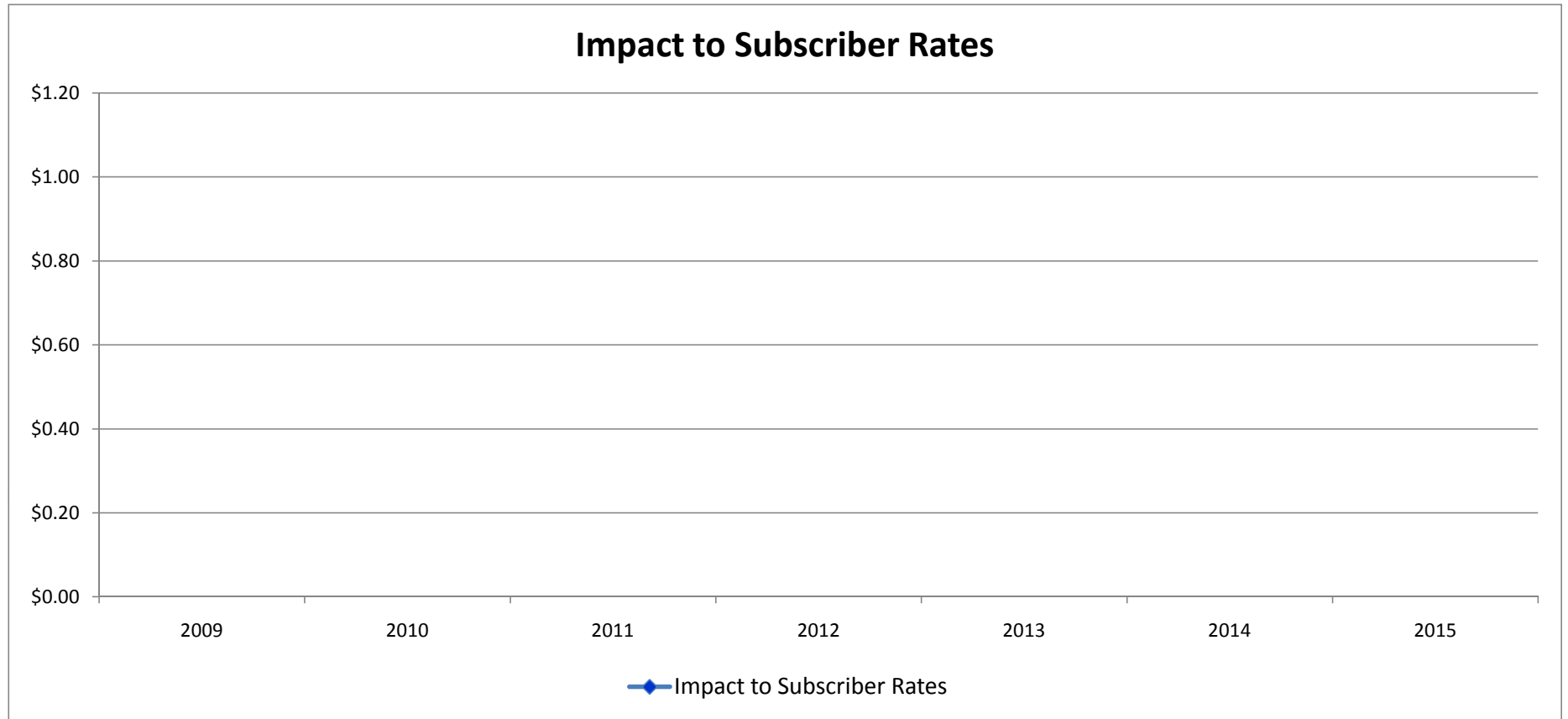
A handwritten signature in black ink, appearing to read "Andrew A. Denzer". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Andrew A. Denzer, Principal

***WARINNER, GESINGER & ASSOCIATES, LLC***

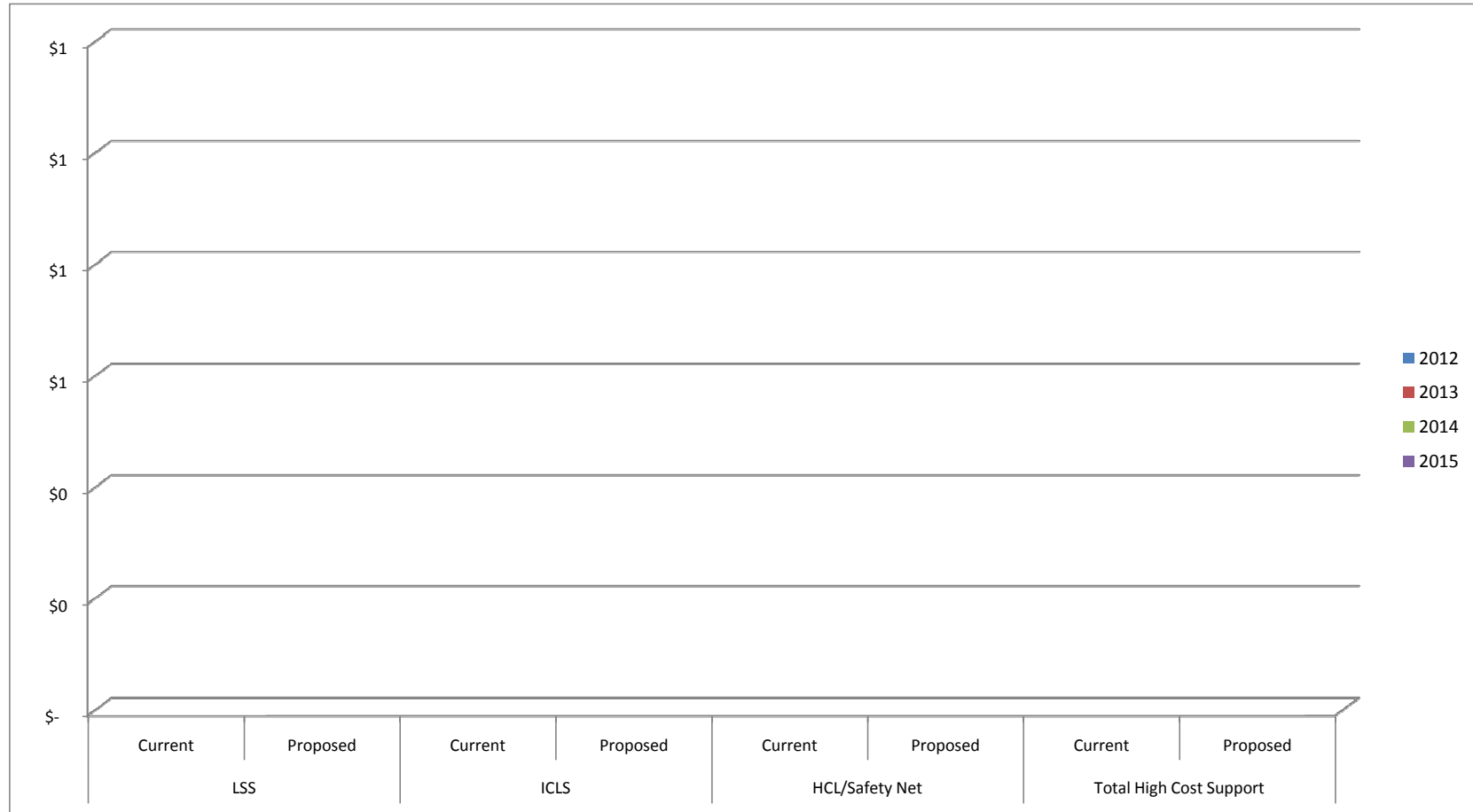
cc: Dale Merten, The Toledo Telephone Company, Inc.  
Amy Bender, FCC Wireline Competition Bureau  
Rohit Dixit, FCC Wireline Competition Bureau  
Rebekah Goodheart, FCC Wireline Competition Bureau  
Patrick Halley, FCC Wireline Competition Bureau  
John Hunter, FCC Wireline Competition Bureau  
Kevin King, FCC Wireline Competition Bureau  
Jennifer Prime, FCC Wireline Competition Bureau

Toledo Telephone Company  
Impact of Proposed FCC Changes  
To Monthly Subscriber Rates



	2009	2010	2011	2012	2013	2014	2015
Impact to Subscriber Rates							

Toledo Telephone Company  
Impact Of Proposed FCC Changes  
To High Cost Support



	LSS		ICLS		HCL/Safety Net		Total High Cost Support		Difference	Per Ln Per Mo.
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed		
2012										
2013										
2014										
2015										

**Cumulative Impact**

**Toledo Telephone Company**  
**Study Area 522447**  
**Remaining Life Schedule - 2010**

Account	Description	Plant Balance	Accumulated Depreciation	Net Book Value	Depreciation Rate	Reserve Ratio	Average Useful Life	Average Life Used	Remaining Life
		(a)	(b)	(c = a - b)	(d)	(e = b / a)	(f = 1.00 / d)	(g = e * f)	(h = f - g)
2112.0000	VEHICLES				16.00%				
2116.0000	OTHER WORK EQUIPMENT				16.00%				
2121.0000	BUILDINGS				4.00%				
2122.0000	FURNITURE				15.00%				
2123.1001	OFFICE EQUIPMENT				20.00%				
2123.2001	OTHER COMMUNICATIONS EQUIP				20.00%				
2124.0001	COMPUTER EQUIPMENT				25.00%				
2124.0002	INTERNET EQUIPMENT				25.00%				
2212.0001	DIGITAL SWITCHING EQUIPMENT				9.00%				
2232.1001	COE-SUBSCRIBER CXR				11.20%				
2232.2001	CIRCUIT EQUIPMENT - DIGITAL				11.20%				
2351.0001	PAYPHONES				20.00%				
2411.0000	POLES				7.60%				
2421.0000	AERIAL CABLE				20.40%				
2421.2001	AERIAL FIBER				20.40%				
2422.1001	UNDERGROUND CABLE - COPPER				5.00%				
2422.2001	UNDERGROUND FIBER - S				5.00%				
2423.1001	BURIED CABLE				5.00%				
2423.2001	BURIED FIBER CABLE				5.00%				
2423.3001	BURIED FIBER CABLE				5.00%				
2441.0001	BURIED FIBER CABLE				5.00%				
2502.0002	OTHER - AERIAL FIBER-NON REG				20.40%				
2682.0000	LEASEHOLD IMPROVEMENTS				4.00%				
2422.1002	UNDERGROUND CONDUIT - NON REG				4.50%				
2111.0000	LAND								
	TOTAL PLANT IN SERVICE								

# THE TOLEDO TELEPHONE CO., INC. AND SUBSIDIARIES

## Consolidated Statements of Operations

Years Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues		
Local network		
Network access		
Long-distance		
Miscellaneous		
	<hr/>	<hr/>
Total Operating Revenues	<hr/>	<hr/>
Operating Expenses		
Plant specific		
Plant nonspecific		
Customer		
Corporate		
Depreciation		
	<hr/>	<hr/>
Total Operating Expenses	<hr/>	<hr/>
Operating Taxes		
Income tax expense		
Other operating taxes		
	<hr/>	<hr/>
Total Operating Expenses and Taxes	<hr/>	<hr/>
Operating Income		
Other Income (Expense)		
Interest and dividends		
Allowance for funds used during construction		
Non-regulated operations, net		
Toledo/Cowlitz Broadband initiative, net		
Other expense		
Nonoperating income tax benefit		
	<hr/>	<hr/>
Total Other Expense	<hr/>	<hr/>
Income Before Interest Expense		
Interest Expense		
Net Income (Loss)	<hr/>	<hr/>

## **Toledo Telephone Fact Sheet**

Provided to the FCC - May 19, 2011

Service area = 120 square miles, small valleys, hills, mountains heavily forested.

Customer density = \_\_\_\_ per route mile

Customer breakdown

\_\_\_\_ customers within Toledo limits, \_\_\_\_\_ out of town

Average annual household income = \$29,360.00

16.7% on some form of disability, 27.2 % senior citizen.

Technologies are ADSL, FTTH, Softswitch

100% of customers have access to DSL, \_\_\_\_% have FTTH.

Broadband download speeds: 768, 1mb, 5mb, 10mb (FTTH)

Broadband adoption rate = \_\_\_\_%

Current number of employees: 20 full-time (down 20% since 2004)

RUS borrower since 1963, on loan number 7 (G Loan)

We are the sole provider for:

- Backhaul for AT&T Wireless, Sprint, T-Mobile, Verizon Wireless.
- Land-based broadband and special circuits for City of Toledo, Toledo School District, Toledo Fire Dept. Puget Sound Energy (Natural Gas Pipeline monitoring), State of Washington, City of Tacoma Power & Energy.
- No other land-based/wireline provider in the area.